

STATE PROPERTIES COMMITTEE

Tuesday, December 12, 2006

The meeting of the State Properties Committee was called to order at 10:06 a.m. by Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration, Ms. Genevieve Allaire Johnson representing the Rhode Island Department of Attorney General and Robert W. Kay, Public Member. Also in attendance were Grace Smith, Maureen McMahon and Richard Kalunian from the Rhode Island Department of Transportation; John Affleck, Marlene McCarthy Tuohy and Arn Lisnoff from the Rhode Island Department of Administration; John Faltus and Lisa Primiano from the Rhode Island Department of Environmental Management; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Richard Berstein from the Rhode Island Department of Business Regulations; Steven Feinberg from the Rhode Island Film & TV Office; Juan Mariscal, Romeo Mendes and Elaine McGuire from the Rhode Island Water Resources Board; David Hanna from Golf Foundation of Rhode Island; and Attorney Peter Nolan from Coventry Pines Golf Club.

A motion was made to approve the general minutes of the State Properties Committee meeting held on November 28, 2006, by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

A special meeting of the State Properties Committee is scheduled to be held on December 18, 2006, at 1:00 p.m. The next regularly scheduled meeting of the State Properties Committee will be held on January 9, 2007, at 10:00 a.m.

As Juan Mariscal, Director of the Water Resources Board has a board meeting this morning, he requested that Item P of the agenda be heard first by the State Properties Committee. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM P –WATER RESOURCES BOARD – A request was made for approval of a Renewal of Lease between the Rhode Island Water Resources Board and Coventry Pines Golf Club for rental property located at 1065 Harkney Hill Road, Coventry, Rhode Island. Mr. Mariscal explained that the Lease Agreement contains a provision under which Coventry Pines Golf Club can exercise an option to automatically extend its lease for a period of seven (7) years by providing written notice of its intention to do so to the Water Resources Board six (6) months prior to the expiration of the Lease Agreement. The Coventry Pines Golf Club provided said notice to the Water Resources Board. A meeting was arranged between the Water Resources Board and the Coventry Pines Golf Club staff to review the Lease Agreement as there was some confusion regarding its terms and conditions. The Customer Price Index (“CPI”) portion of the Lease Agreement was defined in an attempt to clarify any confusion relative to rental payments. An administrative revision was made to the Lease Agreement regarding the calculation of rental fee

increases; however, the original intent of the escalators remained the same. The Coventry Pines Golf Club's rental payments are current. Ms. Allaire Johnson clarified that the Water Resources Board is seeking to renew the existing Lease Agreement. Mr. Kay questioned whether all issues have been resolved between the Water Resources Board and Coventry Pines Golf Club. Mr. Nolan indicated that there was previously an issue relative to the use of a building on the property as a banquet facility. Coventry Pines Golf Club has agreed to cease and desist from utilizing any building on the property as a banquet facility. Mr. Nolan indicated that golf carts are now being stored in said building. Mr. Nolan indicated that Coventry Pines Golf Club has no intention of utilizing the building for any function. Chairman Williams expressed concern that Coventry Pines Golf Club continued to hold functions in the building after being reminded that this is a clear violation of its Lease Agreement. Mr. Nolan indicated that Coventry Pines Golf Club will not utilize the building as a banquet facility or for any type of function whatsoever. Mr. Nolan informed Coventry Pines Golf Club that if it wished to hold any function, it would have to do so outside under a tent. Mr. Mariscal indicated that Coventry Pines Golf Club will need approval from the Water Resources Board to hold any function, inside or outside. Under the Lease Agreement, Coventry Pines Golf Club is also required to obtain any and all state and/or federal permits necessary for any activities on the property. Mr. Mariscal indicated that these issues have all been reviewed with the Coventry Pines Golf Club and it has agreed to all the terms and conditions of the Lease Agreement.

Mr. Kay indicated that if the Coventry Pines Golf Club were to hold an outside event, which involved alcoholic beverage of any type, it would need to obtain the proper permits and insurance coverage. Mr. Griffith indicated that the Department of Environmental Management very often appears before the State Properties Committee to request the use of State-owned property for outside events. Therefore, it could certainly provide Coventry Pines Golf Club with a model agreement. Chairman Williams stated that in accordance with the Lease Agreement, Coventry Pines Golf Club pays seven (7) rental payments in the amount of \$3,000 and then there is a makeup payment at the end of the year. Chairman Williams asked why there is not a standard payment for each month. Mr. Mariscal indicated that he was not sure why the rental payments were structured that way. However, it may have been because the Club's prime revenue producing activities are held between early spring and late fall. Chairman Williams stated that although the Lease Agreement has been improved, it could have been further streamlined. Mr. Mariscal stated that as Coventry Pines Golf Club has a valid Lease Agreement, he felt compelled to continue the basic intentions of the Lease Agreement. Chairman Williams suggested that future lease agreements be significantly revised and streamlined. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM A – Department of Administration – A request was made for conceptual approval to allow National Grid an easement to traverse

State-owned property located at the Pastore Center. Mr. Lisnoff explained that this request is part of safe work preparation for the eventual construction of the State Police Headquarters. The easement will be for a transformer and a utility path to the site. Chairman Williams asked where the easement will be coming from. Mr. Lisnoff stated the easement is coming from Pontiac Avenue into Howard Avenue. Mr. Lisnoff indicated there will be at least one transformer on Howard Avenue and another right on the State Police Headquarters site. Mr. Lisnoff indicated that this conceptual approval will grant the easement for the path as well as the transformers. Chairman Williams asked when Capital Projects will come before the State Properties Committee for final approval. Mr. Lisnoff estimated he would return by March of 2007. A motion was made to grant conceptual approval by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM B – Department of Administration/Film and Television Office – This item was deferred to the Special Meeting of the State Properties Committee to be held on December 18, 2006, at the request of the Department of Administration/Film and Television Office.

ITEM C – Department of Administration – This item was deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.

ITEM D – Department of Business Regulations – A request was made for final

approval of and signatures on a Renewal of Lease Agreement for

office space and

parking at the premises located at 233 Richmond Street in the City of Providence. Ms. McCarthy Tuohy explained that on November 28, 2006, the State Properties Committee granted conceptual approval for the Renewal of Lease Agreement. Ms. McCarthy Tuohy reminded the State Properties Committee that the Renewal of Lease is for an extension of three (3) years, which will expire in 2010. The rental fee is \$20 per square foot. Ms. McCarthy-Tuohy also reminded the Committee that the Renewal of Lease includes thirteen (13) extra parking spaces for a rental fee of \$100 per month, per space. Mr. Kay asked if an insurance certificate has been provided. Ms. McCarthy indicated she would provide the State Properties Committee with the insurance certificate. Ms. McCarthy Tuohy indicated that the fire and handicap codes have been met. Mr. Griffith asked if the State Properties Committee has documentation to that effect. Ms. McCarthy Tuohy stated that she received documentation from the attorney which indicated that all conditions have been met. A motion was made to approve the Renewal of Lease subject to the Department of Business Regulations providing the necessary insurance certificate by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for conceptual approval for the conveyance of 8,000 square feet of property located on Bald Hill Road in the Town of Cranston to Michael Langlois. Ms. Smith explained that Mr. Langlois owns the abutting

property, which consists of a mixed-use, commercial and residential building. Mr. Langlois is renovating the building with the intention of relocating his business office and either residing in or renting the apartment. Ms. Smith indicated that Mr. Langlois wants to erect a multiple bay garage to help accommodate his parking needs for the apartment and business. Ms. Smith indicated that the Department of Transportation's Land Sale Committee declared the parcel of land excess and approved the sale to Mr. Langlois. Mr. Langlois will be required to establish a new freeway line and erect a new freeway fence as well as filing a physical alteration permit to address any alterations to storm water flow. The Department of Transportation will appraise the parcel of land to determine its fair market value. As the Department of Transportation acquired the property by condemnation, the previous owner and municipality will be notified of the intended sale of the property. Ms. Smith indicated that Statewide Planning found that the conveyance of the property conformed with State Guide Plan elements and with the City Cranston's Comprehensive Plan and municipal zoning. The Office of Housing and Community Development has recommended that the State Properties Committee request an agreement from Mr. Langlois that he will construct rental housing above the proposed garage. Ms. Smith stated that although the Department of Transportation understands the need and lack of affordable housing in the State of Rhode Island, the requirement requested would place an unfair burden on the prospective buyer. The Department of Transportation believes that imposing this type of requirement would discourage future interest in

purchasing State-owned land. Mr. Griffith stated that he is sensitive to the affordable housing issue. He questioned whether it would set an inappropriate precedent to encourage Mr. Langlois to construct rental housing, without making it a requirement; thereby, bringing the issue of affordable housing to the attention of the purchaser. Chairman Williams indicated that he believes the State Properties Committee can provide information that Statewide Planning has requested that the purchaser consider constructing some sort of affordable housing on the subject property. However, the State Properties Committee does not have the authority to require the applicant to do so. Mr. Kay asked if there is any housing in the vicinity of the subject property. Ms. Smith indicated there is some housing in the area; however, the surrounding area is primarily commercial property. Ms. Smith clarified that the State Properties Committee is requesting that the Department of Transportation relay Statewide Planning's recommendation to construct housing on the subject property to the prospective buyer; however, the applicant is not required to do so. Chairman Williams asked if the lot is buildable. Ms. Smith indicated that the lot does not appear to be buildable. The subject property is approximately 8,000 square feet. A C-4 zone requires a minimum of 12,000 square feet to deem a lot buildable. Ms. Smith stated that the appraisal will confirm whether the lot is buildable. Chairman Williams indicated that if the lot is buildable, the State Properties Committee will ask that the property be offered at a public sale. Ms. Smith stated that the Department of Transportation has not received confirmation as to whether the lot is buildable and

therefore, cannot make a determination whether the lot should be sold as a sole source or go out to public bid. A motion to approve was made by Mr. Kay and seconded by Mr. Griffith noting that the Department of Transportation will relay Statewide Planning's recommendation to construct housing on the subject property to the applicant. **Passed Unanimously**

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Letter Agreement for an extension of the terms and conditions of the Purchase and Sales Agreement between the Department of Transportation and Carpionato Properties.

Mr. Affleck explained that although the Purchase and Sales Agreement has been executed by Amtrak, it has not yet been signed by the Federal Railroad Administration. Therefore, the Department of Transportation is seeking an additional extension of time until February 28, 2007, in order to obtain the appropriate signatures from the Federal Railroad Association. Mr. Affleck indicated that it is expected that the Purchase and Sales Agreement will be signed prior to February 28, 2007; however, the Department is using it as a control date. Mr. Griffith asked whether Congressional

Delegation should become involved to expedite this matter. Chairman Williams indicated that he recently spoke to David Sasso who indicated that the Department of Transportation has involved the Congressional Delegation in an attempt to expedite the process. Chairman Williams expressed his concerns regarding the delay in the execution of the Purchase and Sales Agreement as there continues to be problems with the building. Chairman Williams stated that the

State of Rhode Island continues to be liable for this property and he is not in favor of granting an extension until February 28, 2007. Chairman Williams feels that a thirty (30) day extension should be more than sufficient to obtain the required signatures. It has now been almost a year since the appraisal was conducted, which means the State could be undermining itself relative to the value of the property. Chairman Williams suggested that an extension of not more than thirty (30) days be granted. Chairman Williams indicated that the Department of Transportation is making every effort to obtain the necessary signatures. Chairman Williams stated that he is not faulting the Department of Transportation in any way. However, the delay in the execution of the Purchase and Sales Agreement deeply concerns him and he believes the State should insist that the Federal Railroad Administration execute said agreement within thirty (30) days. Mr. Affleck stated that he appreciates the State Properties Committee's acknowledgment that the Department of Transportation has done its due diligence with regard to this matter. Mr. Affleck indicated that the Department of Transportation shares the Committee's frustration. Chairman Williams asked if any action can be taken by the prospective buyer, which would expedite this matter. Mr. Griffith indicated that if the Federal Railroad Association were to receive pressure from the prospective buyer and the Congressional Delegation independently from the State of Rhode Island, it may cause the desired effect. A motion was made to approve an extension of the terms and conditions of the Purchase and Sales Agreement for a period

of thirty (30) days by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the Department of Environmental Management and Bright Night Newport for a fireworks display at Fort Adams State Park on December 31, 2006. Mr. Faltus explained that the License Agreement is an annual request from the organizers of Opening Night Newport for the First Night fireworks display to be held at Fort Adams State Park on December 31, 2006, with a rain date of January 1, 2007. First Night Newport has provided the Department of Environmental Management with the appropriate insurance certificate from the fireworks company, Pyro Engineering, Inc., naming the State of Rhode Island as additionally insured. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

At the request of the Department of Environmental Management and the Golf Foundation of Rhode Island, a motion was made to hear Item O of the agenda as the next item on the agenda by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM O – Department of Environmental Management – A request was made for an extension of the Lease Agreement between the Department of Environmental Management and the Golf Foundation of Rhode Island for property located in the City of Providence and the

Town of Johnston. Ms. Primiano explained that currently the Golf Foundation of Rhode Island is leasing 25 acres of land located in Johnston and Providence, which has been operating as Button Hole Golf Course since 1998. Ms. Primiano indicated that the Golf Foundation of Rhode Island is going through a major fund raising campaign for an endowment to keep the Button Hole Golf Course operating. The Golf Foundation of Rhode Island's lack of a long term lease seems to be inhibiting its effort to obtain said endowment. In 1998, the Department of Environmental Management and the Golf Foundation of Rhode Island entered into a ten (10) year Lease Agreement with two (2) five (5) year options to renew. However, some of the potential donors are not comfortable with the term of this Lease Agreement. Therefore, the Golf Foundation of Rhode Island approached the Department of Environmental Management with a request for a twenty-five (25) year lease agreement with three (3) twenty-five (25) year extensions. Ms. Primiano indicated that in consultation of the Department of Administration the Department of Environmental Management is suggesting a twenty-five (25) year lease agreement with one (1) twenty-five (25) year lease extension. Ms. Primiano indicated that Button Hole Golf Course has been an extremely successful operation and the Department of Environmental Management certainly supports its request for a twenty-five (25) year lease agreement with one (1) twenty-five (25) year lease extension. Mr. Hanna stated that he has been the Executive Director of Button Hole Golf Course for slightly over one year. Mr. Hanna explained that Button Hole Golf Course enhances the lives of youths by providing

its facilities and instruction programs to champion success through the game of golf. Mr. Hanna provided a booklet to the State Properties Committee, outlining the activities which have taken place at Button Hole Golf Course over the past year. Mr. Hanna indicated that Button Hole Golf Course is open to all children between the ages of seven (7) and seventeen (17). Button Hole Golf Course focuses on area youth, which would most likely never have the opportunity to learn the game of golf if this facility did not exist. Button Hole Golf Course has been a bench mark provider for the Providence After-School Alliance with the middle schools. Button Hole Golf Course provides children with a safe and nurturing environment to spend afternoons, weekends and summer vacations, as an alternative to "city life." One thousand seven hundred fifty-four children participated in programs at Button Hole Golf Course during the 2006 fiscal year. Button Hole Golf Course' proposed annual budget is \$833,000., of which 600,000 will have to be obtained through fund raising efforts. The CBS Charity Classic is a major contributor as well as Citizens Bank and Bank of America. Button Hole Golf Course also obtains a number of unrestricted grants for which it qualifies. Mr. Hanna indicated that most funds are through private donations; however, last year the General Assembly gave \$20,000 to assist Button Hole Golf Course with its cause. Mr. Hanna stated that although most donations come through the private sector, Button Hole Golf Course is very much a public facility. Mr. Griffith commented that this is an excellent program and he hardily moves approval. Mr. Kay indicated that he had in fact brought his

grandchildren to the Button Hole Golf Course and indicated it is a wonderful facility. However, he questions whether the State Properties Committee could approve the three (3) twenty-five (25) year lease extensions. Ms. Allaire Johnson expressed concern relative to the number of years being requested as extensions to the Lease Agreement. Ms. Allaire Johnson echoed the Committee's comments regarding the merits of this program, but stated that the State Rhode Island does not typically enter into hundred 100 year leases. Ms. Allaire Johnson clarified that the Golf Foundation of Rhode Island is requesting a twenty-five (25) year lease, with one (1) twenty-five year extension. Ms. Primiano indicated that the Department of Environmental Management is comfortable with said terms, but is open to a decision by the State Properties Committee to allow a twenty-five (25) year lease agreement with three (3) twenty-five year extensions. Mr. Griffith indicated that this item was introduced as a twenty-five (25) year lease agreement, with one (1) twenty-five year extension. Mr. Griffith understands that a long-term lease is being requested specifically for the funding of an endowment program. Chairman Williams informed the Committee that this item originally came forward as a request for the State of Rhode Island to donate the land. Chairman Williams indicated that in the three and a half (3½) years he has served as the Chairman of the State Properties Committee, land has never been donated. State-owned land has always been sold at fair market value. Chairman Williams indicated that he fully understands that in order to raise the additional funds necessary to continue to operate this facility and its programs, some

of the potential donors are looking for a long term lease, if not, ownership of the land. Chairman Williams indicated that after hearing issues relative to the fund raising efforts and noting that this property was is in disrepair before the Golf Foundation of Rhode Island became involved together with the social value of the programs, Chairman Williams has much less of a problem voting to approve a twenty-five (25) year lease agreement with three (3) twenty-five year extensions. Chairman Williams asked Mr. Hanna to further discuss the fund raising aspect and the investment which the Golf Foundation of Rhode Island has already put into the property. Mr. Hanna explained that \$3.5 million dollars was raised to build a 9 hole, short course, par 3 golf course and a 270 yard double ended driving range on a twenty-six (26) acre parcel of land. The frontage on the southern end of the property is located in Providence. The Rosetti family donated a four (4) acre parcel of land to the Golf Foundation of Rhode Island last year. Therefore, the Golf Foundation of Rhode Island owns that four (4) acres of land and leases the balance from the State of Rhode Island. The annual operating budget has been in the \$850,000 to \$900,000 dollar range to effectively operate the programs and maintain the facility. There is a level of administration required to operate the facility and the individuals responsible for its administration have to be compensated. Having said that, Mr. Hanna indicated that the Golf Foundation of Rhode Island has wonderful benefactors with the CBS Charity Classic and other opportunities, which all have shelf lives. There is no way of knowing whether the CBS Charity Classic and/or the other benefactors will continue to

donate funds to Button Hole Golf Course in the future. Therefore, the Button Hole Golf Course wants to create an endowment fund, which will cover a percentage of the \$600,000 deficit, with the hope that it will consist approximately \$3,000,000 to 5,000,000. Obviously, it will take time to develop such an endowment fund. Mr. Hanna indicated that Button Hole Golf Course currently has \$470,000, which is received, benefit and perpetuity, from the Golf Foundation of Rhode Island at a rate of four and a half (4½ %) percent. This donation certainly helps perpetuate the cause; however, to ensure its existence for many years to come, Button Hole Golf Course should have an endowment fund. Mr. Hanna indicated that when approaching potential donors that may wish to invest in a legacy program whereby, they will make a lifelong gift or leave funds allocated to Button Hole Golf Course in their wills; said donors want some certainty that the Golf Foundation of Rhode Island has a long-term lease relative to this property. Mr. Hanna indicated that the best situation is owning the land. The second best scenario is having a long-term lease of the land. Chairman Williams reminded the Committee that the Lease Agreement contains a reversionary clause which stipulates that if for any reason Button Hole Golf Course ceases to exist, the property would automatically return to the State of Rhode Island. Chairman Williams also indicated that if the State Properties Committee moves to approve the twenty-five (25) year lease agreement, with one (1) twenty-five year extension, it is essentially approving a fifty (50) year lease agreement. Therefore, Chairman Williams wants to ensure that Button Hole Golf Course and

its programs are not adversely affected in the future because the lease agreement as originally proposed is not approved. Chairman Williams stated that \$600,000 is a considerable deficit and a significant amount of money to have to obtain through fund raising methods on an annual basis. Chairman Williams indicated that he would prefer to approve the twenty-five (25) year lease agreement with three (3) twenty-five (25) year extensions if the end result will be that Button Hole Golf Course has less difficulty raising the necessary funds for the wonderful programs it offers. Ms. Allaire Johnson asked Mr. Hanna for his comments regarding a decision by the State Property Committee to approve the twenty-five (25) year lease agreement with three (3) twenty-five (25) year extensions as opposed to the twenty-five (25) year lease, with one (1) twenty-five year extension. Mr. Hanna indicated that a fifty (50) year lease agreement would be wonderful; however a ninety-nine (99) year lease is nearly as good as owning the property, which is beneficial as it pertains to donors. On behalf of the Department of Environmental Management, Ms. Primiano asked if the State Properties Committee votes to approve the twenty-five (25) year lease agreement with three (3) twenty-five (25) year extensions, that the record clearly reflect the rationale of the decision so the Department of Environmental Management is not pressured by other outside organizations for this type of consideration in the future. Ms. Primiano stated that the only concern the Department of Environmental Management has with the approval of the twenty-five (25) year lease agreement with three (3) twenty-five (25) year extensions, is the setting of a precedent. The

Department of Environmental Management, does not want to open a door to other groups and organizations, which may not be operating under the same circumstances as Button Hole Golf Course. Chairman Williams indicated that from a practical standpoint, the Department of Environmental Management is usually the purchaser of property for forestry or open space purposes. Additionally, the space that is leased by Department of Environmental Management is primarily leased to the Courts. The majority of individual license agreements are for purposes of farming. Chairman Williams stated that although he shares the Department of Environmental Management concern and appreciates its caution, he does not believe outside organizations will be problematic. Ms. Primiano indicated that she is referring to some of the Fort Adams State Park leases, which are in place. Ms. Primiano stated that the licensees very often pressure the Department of Environmental Management to extend those lease agreements. However, their missions may be slightly different or geared more to private interest as opposed to public interest and the Department of Environmental Management wants to be very careful in this regard. Ms. Primiano indicated that some of the park-use agreements between the Department of Environmental Management and various municipalities are kept on a short term basis to allow the Department of Environmental Management to monitor the activities of the cities and towns. Chairman Williams asked how the State of Rhode Island acquired the subject property. Ms. Primiano indicated the land was acquired via a land and water conservation fund acquisition and condemnation. Ms. Allaire

Johnson stated that pursuant to the statute under which the Department of Environmental Management proceeding, it is her opinion that particular statute which allows the Department to enter into long-term leases is much broader than the statute which binds the State of Rhode Island to twenty (20) years in the aggregate on its Leases. The statute relative to the State Properties Committee, which limits the State of Rhode Island to entering into leases for twenty (20) years, specifically states that it is in the aggregate; therefore, includes options. The lease that the Department of Environmental Management is proceeding under excludes that language. It states that the Department of Environmental Management can enter into the agreement without the limiting language and therefore, can be interpreted to cover the State Properties Committee in this particular situation and allow the State of Rhode Island to enter into the longer term lease agreement. From a legal prospective, that statute does not restrict or prohibit the State from entering into a longer term lease agreement; however, it is another issue all together from a policy prospective. Mr. Griffith stated that if the State Properties Committee is setting a precedent, it is being set on a very narrowly defined basis to permit an essentially non-profit organization, operating on publicly owned land, to secure long-term financing through fund raising. Mr. Griffith is not able to think of another organization to which the State leases property that falls into such a defined category. Mr. Griffith believes that if the State Properties Committee is very clear as to the rational and reason for this approval, the State should be protected. Ms. Allaire Johnson indicated that the record should reflect that this

organization is a benefit to the public in addition to being non-profit. Mr. Griffith added that it benefits a disadvantaged segment of the public. Chairman Williams indicated that if the longer term lease agreement is approved, he does not believe anyone coming forward would consider the State Properties Committee a rubber stamp relative to any approval. The State Properties Committee reviews each item which comes before it in its entirety. Chairman Williams stated that in this instance, an essentially non-profit organization is operating an exceptional program which benefits urban children as well as disadvantage children, which from a policy perspective is tremendous. The Golf Foundation of Rhode Island and Button Hole Golf Course maintain this State-owned property. The State of Rhode Island will not have to provide the funding to maintain this property for the next fifty or one hundred years. Mr. Griffith amended his previous motion to approve conceptual approval for a Lease Agreement between the State of Rhode Island and the Golf Foundation of Rhode Island for an initial term of twenty-five (25) years, with three (3) twenty-five (25) year extensions based upon the specific circumstance of this request and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed for the acquisition of twenty-seven (27) acres of land in the Town of Glocester owned by Susan Bissell. Ms. Primiano explained that this item was previously before the State Properties Committee

on April 11, 2006. Ms. Primiano provided the Committee with a map of the subject property. Ms. Primiano explained that the public has been using this property for many years as a parking area. The property owner has agreed to sell the land to the Department of Environmental Management. This transaction has been negotiated based upon a fair market appraisal of the subject property. The Department of Environmental Management is before the Committee today requesting approval of and signatures on the Warranty Deed. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed for the acquisition of approximately sixty- two (62) acres of land in the Towns of Foster and Glocester owned by Hope A. Tucker. Ms. Primiano indicated that this item was previously before the State Properties Committee on April 11, 2006. Ms. Primiano explained that the Tucker property is actually four (4) separate legal lots of record. Ms. Primiano indicated the location of the property using a site map. Ms. Primiano indicated that the subject property is part of land known as the Ponagansett River Greenway Corridor. Over the past decade, the State of Rhode Island has been systematically acquiring either ownership or conservation easements on a number of parcels of land along the Ponagansett River Greenway Corridor, which feeds into the Scituate Reservoir. The purchase price of the property is based on a fair market value appraisal. The National Park Service contributed

\$250,000 toward the acquisition of the subject property. Chairman Williams commended Ms. Primiano together with the Department of Environmental for obtaining additional funding for this acquisition. Chairman Williams asked how the National Park Service came to contribute to this acquisition. Ms. Primiano indicated that Joseph Dias, whom works closely with the National Park Service informed her that it was interested in providing funding for land protection. The National Park Service normally funds development projects for the Department of Environmental Management. Ms. Primiano indicated that this parcel of land was chosen as the potential beneficiary of those funds because of its broader reaching impact on the entire State of Rhode Island. Mr. Griffith asked if this property will be utilized for passive recreation. Ms. Primiano indicated that there are hiking trails as well fishing access. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM J and K – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 148.27 acres of land in the Town of Tiverton between the Department of Environmental Management and The Nature Conservancy, as co-holders, and Lucien LeBreux. Ms. Primiano indicated that Items J and K are related as it is the same property. However, there are two (2) separate transactions being requested. Ms. Primiano indicated that the first request is for the acquisition of a Conservation Easement. The property is owned by Lucien LeBreux and known as Middle Acre Farm. The Nature Conservancy applied for

a local grant which was awarded in 2004, by the RI Natural Heritage Commission for the acquisition of a conservation easement over a portion of the land consisting of 148.27 acres of land. The Nature Conservancy negotiated the transaction and the Department of Environmental Management is seeking to purchase a conservation easement. Ms. Primiano indicated the RI Natural Heritage Commission grant was in the amount of \$300,000 and the North American Waterfowl Habitat Protection Program will contribute an additional \$300,000 toward the purchase of the conservation easement. The Nature Conservancy is contributing approximately \$126,415. The land will be privately owned. The State of Rhode Island will be co-holders in a conservation easement with the Nature Conservancy. The property will have some public access although is will not be fully open to the public. There will be guided walks and scheduled walks on the property. The Nature Conservancy is negotiating with Mr. LeBreux for the right of first refusal. Therefore, in the event Mr. LeBreux would like to sell the fee, the land will be transferred to The Nature Conservancy with the Department of Environmental Management continuing to hold the conservation easement. Mr. Griffith asked if the limited access agreement will apply to the other parcel of land as well. Ms. Primiano indicated that Item K which is a request for approval of and signatures on a Deed to Development Rights for approximately 88.14 acres of land also owned by Mr. LeBreux. Ms. Primiano indicated that this portion of the property is developed and being farmed by Mr. LeBreux. Mr. LeBreux was also an applicant to the Farmland Program for funding

for the sale of development rights. The Farmland Program approved the acquisition for development rights. There will not be any access to this protected farmland. Ms. Allaire Johnson asked if the appraisal was adjusted to provide for the limited access agreement. Ms. Primiano indicated that the Conservation Easement does not include any public access whatsoever. A motion to approve Item J was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

Mr. Kay asked what the appraisal value was for the total package. Ms. Primiano indicated the total fair market value of both the Conservation Easement and the Deed to Development Rights is \$1.59 million dollars. Chairman Williams clarified that the negotiated purchase price for the second parcel of land is actually less than the appraised value. A motion was made to approve Item K by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM L – Department of Environmental Management – A request for was made for approval of and signatures on a Conservation Easement between the Department of Environmental Management and The Nature Conservancy for a twelve (12) acre parcel of forested land in the Town of Tiverton. Ms. Primiano explained that the next three (3) items on the agenda are related. However, as there are three (3) separate legal documents, the requests were listed as separate transaction. In 2002, the State of Rhode Island received a Federal Forest Legacy Program grant for the purchase of conservation easements over property located in the Town of Tiverton. Ms.

Primiano used a site map to illustrate the location of the subject property to the Committee. Ms. Primiano indicated that the Nature Conservancy has been systematically working with the Town of Tiverton to protect land in this area. Ms. Primiano used the site map to indicate the location of the Narragansett Electric parcels of land. Ms. Primiano indicated that the Narragansett Electric parcels of land are not contiguous and this is the reason for the three (3) separate documents. Ms. Primiano indicated that the Department of Environmental Management received a Forest Legacy Program grant in the amount \$498,000 for the purchase of conservation easements from the Nature Conservancy on all three (3) parcels of land. The funding was divided among the three properties. The Department received \$10,000 for the twelve (12) acre parcel of land as well as \$10,000 for the nineteen (19) acre parcel of land. The remaining \$478,000 was applied to the seventy-eight (78) acre parcel of land. The funding for all three of these conservation easements derived from federal funds, specifically for these easements. The Department of Environmental Management is before the Committee today seeking approval of the documents. Mr. Griffith asked how the conservation easements will be utilized or administered. Ms. Primiano indicated the easements will be used for public access and passive recreation for the general public.

Chairman Williams asked if Narragansett Electric will need the property in the future. Ms. Primiano clarified that the property is owned by The Nature Conservancy and the Department of Environmental Management will hold an easements. Mr. Kay

questioned the fact that the appraised value is \$20,000, the assessed value is \$19,000; however, the final negotiated fee is \$10,000. Mr. Kay commented that there is quite a differential between said amounts. Ms. Primiano explained that the Department of Environmental Management had very limited funds relative to this property. The Department of Environmental Management allowed The Nature Conservancy to utilize the grant monies in anyway it wished provided the appraised value of the property is at least \$490,000. Ms. Primiano believes the division of the funds was arbitrary and not based upon any particular logic. As the sixty (60) acre parcel of land is more valuable, The Nature Conservancy applied the bulk of the funding to that portion of the land. Chairman Williams commented that the fact that there is approximately \$120,000 difference between the appraised value and the Department of Environmental Management's purchase price is very impressive. Ms. Primiano indicated that this was a result of The Nature Conservancy working with the Champlain Foundation to obtain the remainder of the necessary funds. Ms. Primiano indicated that The Nature Conservancy paid a total of \$950,000 for the Narragansett Electric property and the Department of Environmental Management is purchasing an easement for \$498,000. Mr. Griffith asked if the funds for the acquisition of this property are within the Department of Environmental Management's land use acquisition master plan. Ms. Primiano indicated the funds were not part of the master plan for State land acquisitions. The Department of Environmental Management has not targeted this inland section of Tiverton. The Department is mainly focused on preserving land

located along the Sakonett River. A motion was made to approve Item L by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement between the Department of Environmental Management and the Nature Conservancy for a nineteen (19) acre parcel of forested land in the Town of Tiverton. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM N – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement between the Department of Environmental Management and The Nature Conservancy for a seventy (70±) acres of forested land in the Town of Tiverton. A motion was made to approve by Mr. Kay and seconded by Ms. Allaire Johnson.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-4(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion was made to enter into Executive Session by Ms. Allaire Johnson and

seconded by Mr. Griffith. A roll call vote was taken and the votes were as follows: Mr.

Griffith voted “Aye”, Mr. Kay voted “Aye”, Ms. Allaire Johnson voted “Aye” and

Chairman Williams voted “Aye”.

The State Properties Committee came out of Executive Session at 11.59 a.m.

ITEM E1 – Department of Transportation - A request was made for approval

to issue additional compensation for the Sakonnet River Replacement project by virtue of Condemnation Plat 2674 together with the increase in the compensation paid relative to the Mullen property and the re-affirmation of the Sousa property for purposes of recordation. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for approval

to acquire two temporary easements via temporary easement agreements for one (1) year relative to the Northwest Bike

Trail/Woonasquatucket River Bikeway – Contract 2. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM E3 – Department of Transportation – A request was made for approval to issue additional compensation in the amount of \$34,500 in conjunction with Condemnation Plat 2693 relative to the Replacement of Barrington Bridge No. 123. After discussion in Executive Session, a motion to approve was made by Mr. Kay and seconded by Ms. Allaire Johnson.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 12:02 p.m. A motion was made to adjourn by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

Holly H. Rhodes, Executive Secretary